GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1161
ANSWERED ON:01.03.2001
NTPC
SHYAMA SINGH

Will the Minister of POWER be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned `NTPC heading for dark days` appearing in the `Hindustan Times` dated January 6, 2001;

(b) if so, whether the new tariff and depreciation norms announced by CERC would affect NTPC;

(c) if so, the facts and details thereof; and

(d) the corrective steps the Government propose to take in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir.

(b) & (c) : The Central Electricity Regulatory Commission has issued orders on Availability Based Tariff (ABT), and Tariff Principles and Norms for Central generating stations including National Thermal Power Corporation Limited (NTPC) on 15th December, 2000 and 21st December, 2000 respectively. The impact of the above orders as indicated by the NTPC involves a substantial reduction in internal resources generation by NTPC which will adversely affect its capacity addition programme of 20,000 MW by 2012. The total impact pointed out by NTPC over the next 11 years, i.e. upto 2011-12 will be to the tune of Rs.18,000 crores as per details given below :

Due to increase in Target Availability	Rs. 5,000 Crores
Due to reduction in Depreciation Rates	Rs.11,000 Crores
Due to adoption of Lower Escalation rates for O&M cost.	Rs. 2,000 crore
Total	Rs.18,000 crore

(d) : The Central Electricity Regulatory Commission (CERC) is an independent statutory body created under the Electricity Regulatory Commissions (ERC) Act, 1998 with powers interalia to regulate tariff of generating companies owned or controlled by the Central Government and to determine by regulation the terms & conditions for fixation of tariff for such generating companies. In exercise of the power conferred under the ERC Act, 1998 the CERC has issued the aforesaid orders. However, NTPC has filed a review petition with CERC and has also filed an appeal in Delhi High Court against CERC order on Availability Based Tariff.